

15-1778-cv

Urbont v. Sony Music Entertainment

1 UNITED STATES COURT OF APPEALS
2 FOR THE SECOND CIRCUIT
3

4 August Term, 2015
5

6 (Submitted: March 24, 2016)

Decided: July 29, 2016)

7
8 Docket No. 15-1778-cv
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10
11 JACK URBONT,

12
13 *Plaintiff-Appellant,*

14
15 - v. -
16

17
18 SONY MUSIC ENTERTAINMENT, INDIVIDUALLY, D/B/A EPIC RECORDS, RAZOR SHARP
19 RECORDS, LLC,

20
21 *Defendants-Appellees,*

22
23 DENNIS COLES, A/K/A GHOSTFACE KILLAH,

24
25 *Defendant.**
26
27

28
29 Before:

30 JACOBS, HALL, and LYNCH, *Circuit Judges.*
31

32 Appeal from the judgment of the United States District
33 Court for the Southern District of New York (Buchwald, J.)
34 granting Defendants-Appellees' motions for summary judgment on
35 plaintiff's federal copyright claim and his related state law
36 claims. We hold that the district court erred in determining
37 that plaintiff failed to raise genuine issues of material fact
38 with respect to his federal copyright infringement claim but
39 that the court properly granted summary judgment to the
40 appellees on plaintiff's state law claims. The judgment is
41 therefore AFFIRMED in part and VACATED and REMANDED in part.

* The Clerk of Court is respectfully directed to amend the caption to conform to the above.

1
2 Richard S. Busch, King & Ballow,
3 Nashville, TN, and Elliot Schnapp,
4 Gordon, Gordon & Schnapp PLLC, New
5 York, NY, for Plaintiff-Appellant.
6

7 Marc S. Reiner, Hand Baldachin &
8 Amburgey LLP, New York, NY, for
9 Defendants-Appellees.
10

11 HALL, Circuit Judge:

12
13 In this copyright case, Plaintiff-Appellant Jack Urbont
14 brought suit to enforce his claimed ownership rights in the
15 "Iron Man" theme song against what he alleges is infringement by
16 Defendants Sony Music Entertainment ("Sony"), Razor Sharp
17 Records, and Dennis Coles, a/k/a Ghostface Killah.¹ In the
18 proceedings below, Defendants-Appellees Sony and Razor Sharp
19 Records challenged Urbont's ownership of the copyright by
20 arguing that the Iron Man theme song was a "work for hire"
21 created at the instance and expense of Marvel Comics ("Marvel").
22 The district court agreed, and it determined that Urbont failed
23 to present sufficient evidence to rebut the presumption that
24 Marvel was, in fact, the copyright owner. The court dismissed
25 Urbont's New York common law claims for copyright infringement,

¹ Coles failed to participate in discovery during the proceedings below, and as a result the district court entered judgment against and imposed sanctions on him. (See Memorandum and Order, ECF No. 53.) Coles did not participate in the summary judgment motion and he is not a party to this appeal.

1 unfair competition, and misappropriation on the basis that those
2 claims were preempted by the Copyright Act.

3 We hold that although the district court properly
4 determined that the appellees had standing to raise a "work for
5 hire" defense to the plaintiff's copyright infringement claim,
6 the court erred in concluding that Urbont failed to raise issues
7 of material fact with respect to his ownership of the copyright.
8 We further conclude that the district court properly dismissed
9 Urbont's state law claims as preempted by the Copyright Act. We
10 thus vacate the district court's summary judgment ruling with
11 respect to plaintiff's Copyright Act claim and remand for
12 further proceedings consistent with this opinion. We affirm the
13 district court's ruling dismissing Urbont's state law claims.

14 I. Facts and Procedural History

15 Urbont is a composer and music producer who has written
16 theme songs for many well-known television shows. In 1966,
17 Urbont wrote theme songs for various characters in the Marvel
18 Super Heroes television show ("Marvel series" or "series")—
19 including Captain America, Hulk, Thor, Sub-Mariner, and the
20 "Iron Man" theme song at issue in this case. He also composed
21 opening and closing songs for the series. According to Urbont,
22 he offered to write the music for the series after being put in
23 touch with Marvel producer Stan Lee by a mutual friend. Prior
24 to this introduction, Urbont was unfamiliar with the Marvel

1 characters, and he had not previously written music that could
2 be used for the series. Lee agreed to hear Urbont's
3 submissions. He provided Urbont with comic books to use as
4 source material and information about the characters. After
5 Urbont "looked over the material [and] absorbed the nature of
6 the character," A. 118, he composed the Iron Man superhero theme
7 and presented it to Lee, who accepted the work as written. It
8 is undisputed that the sound recording of the Iron Man theme
9 song was never released as an independent audio recording
10 without a visual component.

11 In his deposition testimony, Urbont claims that his offer
12 to compose the theme music for the Marvel series was contingent
13 on his retaining ownership rights in the work. He explained as
14 follows:

15 I was not hired when I wrote the songs. I
16 wrote the songs on spec[ulation] hoping that
17 [Marvel] would use them. But the ownership
18 of the material, as it always has been when
19 I create material that I'm not being hired
20 directly for as opposed to let's say my
21 writing a pilot for MGM or Paramount, and my
22 relationship is spelled out prior to my
23 writing a single note. When it is not that
24 type of situation, I own the material and
25 I'm thrilled to be able to get it into the
26 project, but I own it. It's a firm
27 condition of the way I've operated. And
28 [Marvel] was aware of it.

29
30 A. 93-94.
31

1 Further, Urbont claims that although Marvel was free to
2 accept or reject Urbont's compositions, it did not have the
3 right to modify them without Urbont's permission. Urbont
4 composed, recorded, and produced the music for the series
5 himself; although he needed money to cover his costs, he claims
6 he was not "trying to get rich on the project," A. 86, but
7 simply wanted to get credit and exposure. Urbont asserts that
8 Marvel did not pay him, even for costs, until after it accepted
9 the work. He ultimately received a fixed sum of \$3,000 for all
10 the songs written for the series. Urbont did not have a written
11 royalty agreement with Marvel, but he states that he later
12 received royalties from BMI.

13 Urbont admits there was no written agreement with Marvel
14 establishing that he owned the rights to the Iron Man theme
15 song. He claims, however, that there was the oral agreement to
16 that effect, described above. In 1966, a music publisher was
17 issued a certificate of copyright registration by the U.S.
18 Copyright Office naming Urbont as the owner of the work, and
19 Urbont filed a renewal notice for the copyright in 1994. Since
20 renewing the copyright, Urbont has licensed the Iron Man
21 Composition for use in the 2008 Iron Man movie starring Robert
22 Downey Jr., and he has licensed his Marvel series theme songs on
23 other occasions. Additionally, in 1995 Urbont entered into a
24 settlement agreement ("the Settlement") with New World

1 Entertainment, Ltd. and Marvel Entertainment Group, Inc.
2 (collectively, "Marvel") after bringing suit against Marvel for
3 unauthorized use of the Iron Man composition and four other
4 Marvel series compositions. As part of the Settlement, Urbont
5 agreed to release his claims and to license the works to Marvel.
6 The Settlement refers to Urbont as "renewal copyright owner of
7 the . . . Superhero Intros . . . and the Master Recordings
8 thereof" and refers to Marvel as "Licensee," but it expressly
9 denies that Marvel faces "any liability to Owner." A. 78.

10 The appellees counter that Marvel did not share Urbont's
11 understanding that he was the owner of the work. They note that
12 in 1967, Marvel released a recording of two songs from the
13 Marvel series with a copyright notice "Copyright © 1967 Marvel
14 Comics Group." S.P.A. 88-89. Although the Iron Man song was
15 not released on that record, the parties agree that all of the
16 Marvel series songs were subject to the same ownership
17 agreement. In addition, the appellees note that when Marvel
18 sought copyright registrations for the Iron Man segments of its
19 television program series, it did not reference any preexisting
20 copyrighted works that were incorporated into the program.

21 In 2000, defendants Dennis Coles, the hip hop artist
22 popularly known as Ghostface Killah, Sony, and Razor Sharp
23 Records produced and released an album named Supreme Clientele
24 that featured the Iron Man theme song on two tracks. It is

1 undisputed that the defendants did not seek permission from
2 Urbont to use those songs. Urbont became aware of the album
3 sometime in late 2009 or early 2010. He contacted Sony in 2010,
4 alleging that his copyright had been infringed. Soon after, the
5 parties entered into an agreement to toll the statute of
6 limitations.

7 Urbont filed a complaint on June 30, 2011, and an amended
8 complaint on August 29, 2011. The Amended Complaint asserts a
9 claim of copyright infringement under the Copyright Act, 17
10 U.S.C. § 101, *et seq.*,² and claims under New York common law for
11 copyright infringement, unfair competition, and
12 misappropriation. Urbont's federal claim pertains to the Iron
13 Man composition, while his New York law claims are based on the
14 argument that the Iron Man theme song is, having been recorded
15 prior to 1972, a sound recording and therefore would be
16 protected under state law rather than under the Copyright Act.
17 See 17 U.S.C. § 301 (providing exception to Copyright Act's
18 preemption scheme for "sound recordings fixed before February
19 15, 1972"); see also *Capitol Records, Inc. v. Naxos of Am.,*
20 *Inc.*, 4 N.Y.3d 540, 562-63 (2005) (explaining that New York

² Because the work at issue in this case was produced in 1966, the Copyright Act of 1909, Pub.L. No. 60-349, 35 Stat. 1075, governs Urbont's copyright infringement claim. See *Baldwin v. EMI Feist Catalog, Inc.*, 805 F.3d 18, 20 (2d Cir. 2015).

1 common law provides copyright protection to sound recordings not
2 otherwise protected by the federal Copyright Act).

3 Urbont moved for partial summary judgment. Appellees Sony
4 and Razor Sharp Records cross-moved for summary judgment. In a
5 Memorandum and Order, the district court denied Urbont's motion
6 and granted the appellees' motion. See *Urbont v. Sony Music*
7 *Entm't*, 100 F. Supp. 3d 342 (S.D.N.Y. 2015). The district court
8 first concluded that the appellees had standing to challenge
9 Urbont's ownership of the copyright under the "work for hire"
10 doctrine. *Id.* at 348-50. Next, it determined that the Iron Man
11 song was a "work for hire" because it was composed at Marvel's
12 "instance and expense," *id.* at 350-52, and that Urbont had not
13 presented evidence of an ownership agreement with Marvel
14 sufficient to overcome the presumption that the work was for
15 hire. The court rejected Urbont's contention that the 1995
16 Settlement was probative of the parties' intent at the time the
17 composition was written. *Id.* at 353-54. Finally, it dismissed
18 Urbont's state law claims on the ground that the Iron Man
19 recording is not a "sound recording" but rather part of an
20 "audiovisual work" subject to preemption under the Copyright Act
21 of 1976. *Id.* at 355-56. The district court later denied
22 Urbont's motion to reconsider its prior ruling. *Urbont v. Sony*
23 *Music Entm't*, No. 11 CIV. 4516 NRB, 2015 WL 3439244 (S.D.N.Y.
24 May 27, 2015). Urbont appeals the district court's ruling.

1 II. Discussion

2 Urbont contends that the district court erred in
3 determining that the appellees, as third parties to any
4 ownership agreement between himself and Marvel, had standing to
5 challenge his ownership rights under the "work for hire"
6 doctrine. He further argues that the district court overlooked
7 genuine issues of material fact that he raised as to his state
8 and federal copyright claims. We affirm the district court's
9 decision with respect to the appellees' standing and its
10 dismissal of Urbont's state law claims. We reverse the court's
11 grant of summary judgment in favor of appellees on Urbont's
12 Copyright Act claim.

13 A. Standing

14 For purposes of the work for hire doctrine under the 1909
15 Copyright Act, "an 'employer' who hires another to create a
16 copyrightable work is the 'author' of the work for purposes of
17 the statute, absent an agreement to the contrary." *Playboy*
18 *Enters., Inc. v. Dumas*, 53 F.3d 549, 554 (2d Cir. 1995) (citing
19 17 U.S.C. § 26 (1976) (repealed)).

20 This Court has not explicitly decided whether a third party
21 to an alleged employer-employee relationship has standing to
22 raise a "work for hire" defense to copyright infringement. See
23 *Psihoyos v. Pearson Educ., Inc.*, 855 F. Supp. 2d 103, 117 n.7
24 (S.D.N.Y. 2012) ("Courts have not dealt with this issue

1 extensively, but the few decisions to address the issue at all
2 have generally found that a defendant does have standing to
3 challenge ownership on this basis."). We have, however,
4 implicitly permitted the use of the "work for hire" doctrine
5 defensively by third-party infringers to refute a plaintiff's
6 alleged ownership of a copyright. See *Aldon Accessories Ltd. v.*
7 *Spiegel, Inc.*, 738 F.2d 548, 551-53 (2d Cir. 1984), *abrogated on*
8 *other grounds by Cmty. for Creative Non-Violence v. Reid*, 490
9 U.S. 730 (1989)³; see also *Easter Seal Soc. for Crippled Children*
10 *& Adults of La., Inc. v. Playboy Enters.*, 815 F.2d 323, 333 (5th
11 Cir. 1987) (explaining that "[t]he 'work for hire' issue in
12 *Aldon Accessories* arose as a defensive tactic adopted by a
13 third-party infringer to dispute the validity of the plaintiff's
14 copyright"). The Eleventh Circuit has explicitly held that a
15 third-party infringer "does have the right to assert a [work-
16 for-hire] defense." *M.G.B. Homes, Inc. v. Ameron Homes, Inc.*,
17 903 F.2d 1486, 1490 (11th Cir. 1990).

18 The Ninth Circuit, on the other hand, has rejected third-
19 party standing under the "work for hire" doctrine, at least
20 where both potential owners of the copyright are parties to the
21 lawsuit and the issue of ownership is undisputed as between

³ In our *Aldon Accessories* decision, the parties had not specifically challenged the alleged third-party infringer's standing to invoke the "work for hire" doctrine, and the Court did not rule on that issue.

1 them. *Jules Jordan Video, Inc. v. 144942 Canada Inc.*, 617 F.3d
2 1146, 1157 (9th Cir. 2010). In *Jules*, the panel reasoned, *inter*
3 *alia*, that the purpose of the "work for hire" doctrine is "to
4 establish ownership of a work as between a commissioning party
5 or employer on the one hand and the commissioned party or
6 employee on the other." 617 F.3d at 1157. Thus, "[i]t would be
7 unusual and unwarranted to permit third parties . . . to invoke
8 [the 'work for hire' doctrine] to avoid a suit for infringement
9 when there is no dispute between the two potential owners, and
10 both are plaintiffs to the lawsuit." *Id.* The panel noted that
11 third-party infringers are not permitted to avoid suit for
12 copyright infringement by invoking 17 U.S.C. § 204(a), a statute
13 of frauds provision requiring contemporaneous memorialization of
14 a copyright transfer, and it considered the reasoning behind
15 that doctrine to be equally applicable in the "work for hire"
16 context. *Id.* (citing *Imperial Residential Design, Inc. v. Palms*
17 *Dev. Grp., Inc.*, 70 F.3d 96, 99 (11th Cir. 1995)).

18 Urbont asserts that the appellees lack third-party standing
19 because there is no evidence that Marvel, which is not a party
20 to this lawsuit, has ever challenged his claim to ownership of
21 the copyright. By failing to challenge Urbont's registration of
22 the copyright and licensing of the composition, he contends,
23 Marvel has acquiesced in his commercial use of the composition.
24 Therefore, just as third parties are not permitted to challenge

1 the validity of an otherwise-undisputed copyright transfer under
2 Section 204(a), Urbont argues that the appellees should not be
3 permitted to challenge the validity of his copyright on the
4 basis that the Iron Man theme song was a "work for hire" when
5 Marvel itself has not done so. *Cf. Eden Toys, Inc. v. Florelee*
6 *Undergarment Co.*, 697 F.2d 27, 36 (2d Cir. 1982) (holding with
7 respect to § 204(a) that where "the copyright holder appears to
8 have no dispute with its licensee . . . it would be anomalous to
9 permit a third party infringer to invoke this provision against
10 the licensee"), *superseded by rule on other grounds as stated in*
11 *Keeling v. Hars*, 697 F.2d 27 (2d Cir. 2015); *accord Barefoot*
12 *Architect, Inc. v. Bunge*, 632 F.3d 822, 830 (3d Cir. 2011) ("At
13 least where there is no dispute between transferor and
14 transferee regarding the ownership of a copyright, there is
15 little reason to demand that a validating written instrument be
16 drafted and signed contemporaneously with the transferring
17 event.").

18 We are unpersuaded by this argument. As an initial matter,
19 the facts of the Ninth Circuit's decision in *Jules* are
20 significantly distinguishable, as both potential owners of the
21 copyright were plaintiffs to the lawsuit and there was no
22 dispute between them with respect to ownership rights.⁴ See

⁴ Indeed, the individual plaintiff in that case was the sole shareholder, director, and officer of the entity plaintiff, and

1 *Jules*, 617 F.3d at 1157. Here, by contrast, Marvel is not a
 2 party to the lawsuit and has not had the opportunity to clarify
 3 its position with respect to ownership of the copyright.⁵ Thus,
 4 unlike in *Jules*, it is thus uncertain whether Marvel would
 5 dispute Urbont's copyright ownership. Even assuming that
 6 Urbont's characterization of Marvel's position is correct,
 7 moreover, we agree with the district court that the cases
 8 interpreting Section 204 do not support the outcome he seeks—
 9 preclusion of the appellees' standing to challenge the validity
 10 of his copyright. Section 204(a), a statute of frauds provision
 11 for copyright transfers, was designed to "protect copyright
 12 holders from persons mistakenly or fraudulently claiming oral
 13 licenses." *Eden Toys*, 697 F.2d at 36; see also *Lyrick Studios*,

exercised complete control over the entity. *Jules*, 617 F.3d at 1156.

⁵ The question of whether Marvel was required to be joined as a party under Fed. R. Civ. P. 19 does not appear to have been raised at any time during the litigation below. Joinder may be required, however, in cases where the determination of copyright ownership has the potential to prejudice an individual that is not a party to the suit and the requirements of Fed. R. Civ. P. 19 are met. See, e.g., *Marvel Characters, Inc. v. Kirby*, 726 F.3d 119, 132–35 (2d Cir. 2013) (noting that joinder of "required" parties is compulsory under Fed. R. Civ. P. 19, but permitting action to proceed on basis that parties not feasible to joinder were not "indispensable"); *Eden Toys, Inc.*, 697 F.2d at 36–37 (holding that it would be appropriate for district court to join an employer in a lawsuit where it was possible that the employer owned some of the rights infringed by the defendant); 9 Causes of Action 2d 65 (1997) ("If the court deems it appropriate, it may require the joinder of any person having or claiming an interest in the copyright.").

1 *Inc. v. Big Idea Prods., Inc.*, 420 F.3d 388, 394 (5th Cir.
2 2005)("[C]ourts are hesitant to allow an outside infringer to
3 challenge the timing or technicalities of the copyright
4 transfer."). Section 204 thus furthers the ordinary purpose of
5 the statute of frauds: "[j]ust as requiring a written contract
6 prevents enforcement of a nonexistent obligation through the
7 exclusion of fraudulent, perjured, or misremembered evidence,
8 requiring a writing for enforcement of a copyright assignment
9 enhances predictability and certainty of ownership by preventing
10 litigants from enforcing fictitious agreements through perjury
11 or the testimony of someone with a faulty memory." *Barefoot*
12 *Architect*, 632 F.3d at 828-29 (internal quotation marks
13 omitted).

14 Unlike Section 204, which concerns the memorialization of
15 an ownership transfer, the "work for hire" doctrine guides the
16 determination of ownership rights as between employers and
17 employees or independent contractors. See *Marvel Characters,*
18 *Inc. v. Kirby*, 726 F.3d 119, 137-40 (2d Cir. 2013). A plaintiff
19 in a copyright infringement suit bears the burden of proving
20 ownership of the copyright, however, whether such ownership is
21 challenged by an ostensible employer or by a third party.⁶ See

⁶ Indeed, plaintiffs must prove ownership not only as an element of a copyright infringement claim, but also to assert their standing to bring suit. See *Eden Toys*, 697 F.2d at 32 (noting that only "(1) owners of copyrights, and (2) persons who have

1 *Island Software & Computer Serv., Inc. v. Microsoft Corp.*, 413
2 F.3d 257, 260 (2d Cir. 2005) (noting that a "claim of copyright
3 infringement under federal law requires proof that . . . the
4 plaintiff had a valid copyright in the work allegedly infringed"
5 (internal quotation marks omitted)). Indeed, even courts that
6 have precluded third parties from challenging a plaintiff's
7 ownership rights under the statute of frauds provision in
8 Section 204 have permitted those parties to challenge the
9 validity of the underlying ownership transfer. See, e.g.,
10 *Barefoot Architect*, 632 F.3d at 831 (holding that although
11 third-party defendant lacked standing to challenge plaintiff's
12 ownership by assignment under Section 204, plaintiff "failed to
13 raise a triable issue of fact as to whether the alleged . . .
14 oral transfer ever occurred"); *Eden Toys*, 697 F.2d at 36
15 (precluding challenge to validity of assignment under statute of
16 frauds, but remanding for district court to determine whether
17 underlying transfer occurred). We thus conclude that third
18 parties to an alleged employer-employee relationship have

been granted exclusive licenses by owners of copyrights" have standing to sue for copyright infringement (citing 17 U.S.C. § 501(b)); see also *ABKCO Music, Inc. v. Harrisongs Music, Ltd.*, 944 F.2d 971, 980 (2d Cir. 1991) (noting that third parties are not permitted to sue on a copyright holder's behalf). Urbont's reasoning could, therefore, lead to the anomalous result of permitting copyright infringement plaintiffs to proceed even where they may lack standing to sue simply because an employer has not challenged the validity of their copyright.

1 standing to raise a "work for hire" defense against a claim of
2 copyright infringement.

3 B. Copyright Act Claim

4 The district court granted summary judgment in favor of
5 appellees on Urbont's federal copyright infringement claim,
6 holding that the Iron Man composition was a "work for hire" and
7 that Urbont failed to raise triable issues of fact regarding an
8 alleged ownership agreement with Marvel. We review a district
9 court's grant of summary judgment *de novo*, applying the same
10 standards as the district court. *Kirby*, 726 F.3d at 135.
11 Summary judgment is appropriate "only if 'there is no genuine
12 dispute as to any material fact and the movant is entitled to
13 judgment as a matter of law.'" *Id.* (quoting Fed. R. Civ. P.
14 56(a)). "When deciding a summary judgment motion, a . . .
15 court's function is not to weigh the evidence, make credibility
16 determinations or resolve issues of fact, but rather to
17 determine whether, drawing all reasonable inferences from the
18 evidence presented in favor of the non-moving party, a fair-
19 minded jury could find in the non-moving party's favor." *Beatie*
20 *v. City of New York*, 123 F.3d 707, 710-11 (2d Cir. 1997)
21 (internal citation omitted).

22 To prove a claim of copyright infringement, a plaintiff
23 must show (1) ownership of a valid copyright and (2) copying of
24 constituent elements of the work that are original. *Boisson v.*

1 *Banian, Ltd.*, 273 F.3d 262, 267 (2d Cir. 2001). Urbont asserts
 2 that he is the owner of a valid copyright to the Iron Man theme
 3 song because he has produced a copyright registration from 1966
 4 that lists him as "author," A. 64, and a renewal registration
 5 from 1995 that lists him as owner. Production of a certificate
 6 of registration made before or within five years after first
 7 publication of the work constitutes prima facie evidence of the
 8 validity of the copyright. 17 U.S.C. § 410(c); see also *Hamil*
 9 *Am., Inc. v. GFI*, 193 F.3d 92, 98 (2d Cir. 1999). However, "a
 10 certificate of registration creates no irrebuttable presumption
 11 of copyright validity," and "where other evidence in the record
 12 casts doubt on the question, validity will not be assumed."
 13 *Estate of Burne Hogarth v. Edgar Rice Burroughs, Inc.*, 342 F.3d
 14 149, 166 (2d Cir. 2003) (internal quotation marks and citation
 15 omitted). Although the plaintiff bears the burden of proving
 16 copyright ownership, "[t]he party challenging the validity of
 17 the copyright [registration] has the burden to prove the
 18 contrary." *Hamil Am., Inc.*, 193 F.3d at 98.

19 1. The "Work for Hire" Doctrine

20 The 1909 Copyright Act mentions works for hire only in the
 21 definition section of the statute, where it states that "[i]n
 22 the interpretation and construction of this title . . . the word
 23 'author' shall include an employer in the case of works made for

1 hire."⁷ 17 U.S.C. § 26 (1976) (repealed). "Under this
 2 definition, an 'employer' who hires another to create a
 3 copyrightable work is the 'author' of the work for purposes of
 4 the statute, absent an agreement to the contrary." *Playboy*
 5 *Enters., Inc.*, 53 F.3d at 554. Because the statute does not
 6 define "employer" or "author," courts apply what is known as the
 7 "instance and expense test." *Kirby*, 726 F.3d at 137. As a
 8 general rule, "[a] work is made at the hiring party's 'instance
 9 and expense' when the employer induces the creation of the work
 10 and has the right to direct and supervise the manner in which
 11 the work is carried out." *Id.* at 139 (quoting *Martha Graham*,
 12 380 F.3d at 635); see also *Siegel v. Nat'l Periodical Publs.*,
 13 *Inc.*, 508 F.2d 909, 914 (2d Cir. 1974) (explaining that work is
 14 made for hire when the "motivating factor in producing the work
 15 was the employer who induced the creation" (internal quotation
 16 marks omitted)).

17 " 'Instance' refers to the extent to which the hiring party
 18 provided the impetus for, participated in, or had the power to
 19 supervise the creation of the work." *Kirby*, 726 F.3d at 139.

⁷ "The concept of 'work made for hire' remains in the 1976 Act, which defines the phrase to mean 'a work prepared by an employee within the scope of his or her employment' or, for certain types of works, 'a work specially ordered or commissioned.'" *Martha Graham Sch. & Dance Found., Inc. v. Martha Graham Ctr. of Contemporary Dance, Inc.*, 380 F.3d 624, 635 (2d Cir. 2004) (quoting 17 U.S.C. § 101)).

1 "Actual creative contributions or direction," such as providing
2 specific instructions to direct the work's completion, "strongly
3 suggest that the work is made at the hiring party's instance."
4 *Id.*; see *Playboy Enters., Inc.*, 53 F.3d at 556 (holding that
5 work was for hire based on Playboy's specific instructions to
6 independent contractor); *Yardley v. Houghton Mifflin Co.*, 108
7 F.2d 28, 30-31 (2d Cir. 1939) (explaining that customers who
8 solicited and paid for photographer's services owned copyright
9 to the photographs taken). The right to direct and supervise
10 the manner in which the work is carried out, moreover, may be
11 enough to satisfy the "instance" requirement even if that right
12 is never exercised. *Martha Graham*, 380 F.3d at 635.

13 "The 'expense' component refers to the resources the hiring
14 party invests in the creation of the work," in order to
15 "properly reward[] with ownership the party that bears the risk
16 with respect to the work's success." *Kirby*, 726 F.3d at 139-40.
17 One factor in this inquiry is the method of payment. We have
18 held that a hiring party's payment of a sum certain in exchange
19 for an independent contractor's work satisfies the "expense"
20 requirement, while payment of royalties generally weighs against
21 finding a "work for hire" relationship. *Playboy Enters., Inc.*,
22 53 F.3d at 555. In addition, we have, at least in some cases,
23 looked for indicators of a traditional employment relationship,
24 such as "the hiring party's provision of tools, resources, or

1 overhead," *Kirby*, 726 F.3d at 140, or the hired party's "freedom
2 to engage in profitable outside activities without sharing the
3 proceeds with [the hiring party]," *Donaldson Publ'g Co. v.*
4 *Bregman, Vocco & Conn, Inc.*, 375 F.2d 639, 643 (2d Cir. 1967).
5 "The absence of a fixed salary, however, is never conclusive,
6 nor is the freedom to do other work" *Picture Music,*
7 *Inc. v. Bourne, Inc.*, 457 F.2d 1213, 1216 (2d Cir. 1972)
8 (citation omitted).

9 Ultimately, "[o]ur case law counsels against rigid
10 application of these principles. Whether the instance and
11 expense test is satisfied turns on the parties' creative and
12 financial arrangement as revealed by the record in each case."
13 *Kirby*, 726 F.3d at 140.

14 If the hiring party is able to satisfy the instance and
15 expense test it "is presumed to be the author of the work."
16 *Playboy Enters., Inc.*, 53 F.3d at 554. "That presumption can be
17 overcome, however, by evidence of a contrary agreement, either
18 written or oral." *Id.*

19 2. Application of the Instance and Expense Test

20 The district court ruled that the Iron Man composition was
21 a "work for hire" as a matter of law. The court determined that
22 the Iron Man composition was created at Marvel's "instance"
23 because it was "developed to Marvel's specifications and for
24 Marvel's approval." *Urbont*, 100 F. Supp. 3d at 352. The court

1 noted that Urbont had no previous familiarity with the Marvel
2 superheroes and he created the work from source material that
3 was given to him by Stan Lee. *Id.* Further, Marvel determined
4 the subject matter and scope of Urbont's compositions, and
5 Marvel had the right to accept or reject his songs. *Id.* The
6 district court also concluded that the work was created at
7 Marvel's "expense" because Urbont received a fixed sum in
8 exchange for his work. *Id.* That Urbont did not receive a fixed
9 salary, was not barred from undertaking other projects, and
10 claimed to have received royalties were not sufficient in the
11 district court's view to overcome the conclusion that the work
12 was created at Marvel's expense. *Id.*

13 While the factors cited by the district court are clearly
14 probative of whether the work was for hire, there are other
15 factors that the district court did not explicitly consider.
16 Regarding the "instance" requirement, it appears beyond dispute
17 that Urbont created the Iron Man composition at the impetus of
18 Stan Lee and based on the characters of his television show.
19 Urbont testified, however, that he retained all of the creative
20 control over the project, as Lee was not permitted to modify the
21 work but only had the right to accept or reject it. *Cf. Kirby*,
22 726 F.3d at 142 (holding work was for hire due in part to hiring
23 party's "active involvement in the creative process, coupled
24 with its power to reject pages and request that they be

1 redone"); *Picture Music, Inc. v. Bourne, Inc.*, 457 F.2d 1213,
2 1217 (2d Cir. 1972) (holding that work was for hire where hiring
3 party "had the power to accept, reject, or modify [the hired
4 party's] work"). In addition, Urbont claims that he approached
5 Stan Lee, not the other way around, and he "wrote the songs on
6 spec[ulation] hoping [Marvel] would use them." A. 94. Thus,
7 according to Urbont, there was no prior working relationship
8 between Urbont and Marvel, nor was there was any guarantee that
9 Marvel would accept his work. *Cf. Kirby*, 726 F.3d at 141
10 (noting evidence indicated that artist "did not work on 'spec'
11 (speculation)," thus supporting the conclusion that work was for
12 hire). These factors weigh against a finding that the work was
13 created at Marvel's "instance."

14 As for the expense factor, Urbont claims that he
15 independently recorded and produced the Iron Man theme song with
16 his own tools and resources, including a recording studio he
17 rented; he claims he was essentially paid only to cover his
18 costs, not to profit from the project. *Cf. Kirby*, 726 F.3d at
19 140 (suggesting that "the hiring party's provision of tools,
20 resources, or overhead may be controlling"); *Martha Graham*, 380
21 F.3d at 638 (holding that hired choreographer's use of dance
22 center's resources, including rehearsal space and student
23 dancers, "significantly aided [her] in her choreography, thereby
24 arguably satisfying the 'expense' component of the 'instance and

1 expense' test").⁸ These factors support the inference that
 2 Urbont "b[ore] the risk with respect to the work's success,"
 3 *Kirby*, 726 F.3d at 140, although the fact that the Iron Man
 4 composition "built on preexisting titles and themes that Marvel
 5 had expended resources to establish," *id.* at 143, would support
 6 the opposite conclusion. Finally, although Urbont was paid a
 7 fixed sum of \$3000, bolstering the conclusion that the work was
 8 created at Marvel's expense, he also claims he received
 9 royalties, which would undermine that same conclusion. *See id.*
 10 at 140.

11 Considering all of these factors, we conclude that genuine
 12 issues of material fact remain as to whether the Iron Man
 13 composition was created at Marvel's instance and expense.
 14 Urbont's assertion that he "was not hired when [he] wrote the
 15 songs" but instead "wrote the songs on spec[ulation] hoping

⁸ In *Playboy Enterprises*, we dismissed as irrelevant to the "expense" requirement factors that may be used to show that an artist worked as an independent contractor, such as whether the artist worked his own hours, hired his own assistants, and paid his own taxes and benefits. 53 F.3d at 555. Instead, we found the "expense" requirement to be satisfied "where a hiring party simply pays an independent contractor a sum certain for his or her work." *Id.* We later criticized the *Playboy Enterprises* decision's exclusive focus on the method of payment, however, as "a rather inexact method of properly rewarding with ownership the party that bears the risk with respect to the work's success." *Kirby*, 726 F.3d at 140. Ultimately, we cautioned in that case against "rigid application" of the instance and expense test in favor of examining "the parties' creative and financial arrangement as revealed by the record in each case." *Id.*

1 [Marvel] would use them," A. 94, distinguishes this case from
2 the arrangement between Marvel and an independently contracted
3 artist which we held in *Kirby* was work for hire. There, we
4 explained that "that Marvel and Kirby had a standing engagement
5 whereby Kirby would produce drawings designed to fit within
6 specific Marvel universes." *Kirby*, 726 F.3d at 142. Thus,
7 "[w]hen Kirby sat down to draw, . . . it was not in the hope
8 that Marvel or some other publisher might one day be interested
9 enough in them to buy, but with the expectation, established
10 through their ongoing, mutually beneficial relationship, that
11 Marvel would pay him." *Id.* at 142-43. Urbont contends, by
12 contrast, that he was "not being paid as a job to write the
13 songs," A. 93, but rather "[a]ll [he] wanted to do was to make
14 sure that [his] costs were covered[,] [and he] would license
15 this material to [Marvel] to use." A. 95. There was no
16 established working relationship or guarantee of payment. As
17 Urbont explained, Marvel "had the right to like my songs or not
18 like my songs. They could have rejected my songs." A. 116.
19 Marvel did not pay Urbont until after it had accepted the Iron
20 Man composition.

21 Other factors further undermine the conclusion that the
22 work was for hire, including that Marvel, according to the
23 uncontradicted testimony of Urbont, which we must credit in
24 assessing the appellees' summary judgment motion, was not

1 permitted to modify the work without Urbont's permission, that
2 Urbont recorded and produced the composition entirely
3 independent of Marvel, and that he claims to have received
4 royalties in addition to a fixed sum of payment. Together,
5 these factors are sufficient to raise genuine issues of fact as
6 to whether the work was for hire.

7 3. Existence of a Contrary Ownership Agreement

8 As explained above, "once it is determined that a work is
9 made for hire, the hiring party is presumed to be the author of
10 the work." *Playboy Enters.*, 53 F.3d at 556. The independent
11 contractor bears the burden by a preponderance of the evidence
12 of overcoming this presumption with evidence of a contrary
13 agreement, either written or oral, that was entered into
14 contemporaneously with the work.⁹ *Id.* at 554-55; see also *Kirby*,
15 726 F.3d at 143.

16 We conclude that the district court erred in concluding
17 that Urbont failed as a matter of law to produce evidence
18 sufficient to rebut the presumption that Marvel owned the work.
19 In so holding, the district court focused exclusively on the

⁹ The district court characterized the presumption that the work was made for hire as "almost irrebutable" and held Urbont's claims to a "clear and convincing" burden of proof. *Urbont*, 100 F. Supp. 3d at 353. It is the law of this Circuit, however, that the plaintiff need only establish the existence of a contrary agreement by a preponderance of the evidence. *Playboy Enters., Inc.*, 53 F.3d at 554-55.

1 1995 Settlement between the parties, reasoning that "the fact
2 that Marvel entered into a licensing settlement with Urbont does
3 not mean that Marvel has concluded or conceded that Urbont is
4 the Composition's owner," and that the existence of a settlement
5 agreement should not supplant a court's independent
6 determination of copyright ownership. *Urbont*, 100 F. Supp. 3d
7 at 353. Even assuming that the Settlement agreement is not
8 materially probative of the parties' understanding for the
9 reasons explained by the district court,¹⁰ Urbont offered other
10 evidence in support of his position, chiefly his deposition
11 testimony that Marvel shared Urbont's understanding that he
12 would own the rights to the Iron Man composition.¹¹ For summary
13 judgment purposes, the district court was required to accept
14 Urbont's testimony as credible. *Beatie*, 123 F.3d at 710-11. In

¹⁰ The district court determined, moreover, that the Settlement did not suffice to rebut Marvel's ownership based on our decision in *Gary Friedrich Enterprises, LLC v. Marvel Characters, Inc.*, 716 F.3d 302, 316 (2d Cir. 2013), which held that the work for hire analysis should not turn on "after-the-fact" agreements intended to retroactively alter the parties' relationship. *Urbont*, 100 F. Supp. 3d at 354. *Gary Friedrich Enterprises* is not on point, however, as the parties attempted in that case to render a work for hire "ex post facto." 716 F.3d at 316. In this case, by contrast, the 1995 Settlement was offered as evidence to corroborate the existence of an earlier ownership agreement between the parties.

¹¹ In denying Urbont's motion for reconsideration, the district court acknowledged that it had failed explicitly to consider his testimony that an agreement existed, but it continued to reject his claim to ownership "as unsupported by anything beyond self-serving testimony." *Urbont*, 2015 WL 3439244, at *1.

1 addition, the district court did not consider evidence
2 corroborating the existence of the agreement, including, *inter*
3 *alia*, Urbont's copyright registration in 1966, contemporaneously
4 with the alleged ownership agreement, and his subsequent renewal
5 of the registration in 1995; Urbont's testimony that he received
6 royalties for performances of the Iron Man composition; and his
7 licensing of the Iron Man theme song for use in the 2008 Iron
8 Man movie. Based on this evidence, a reasonable jury could
9 conclude by a preponderance of the evidence that an ownership
10 agreement existed between Urbont and Marvel. *See Byrne v. Town*
11 *of Cromwell, Bd. of Educ.*, 243 F.3d 93, 101 (2d Cir. 2001)
12 ("[I]n order to defeat summary judgment, the nonmoving party
13 must offer enough evidence to enable a reasonable jury to return
14 a verdict in its favor").

15 We thus conclude that Urbont has raised genuine issues of
16 material fact with respect to his claim of copyright
17 infringement, and we vacate the district court's grant of
18 summary judgment in favor of the appellees.¹²

¹² Urbont contends, moreover, that he is entitled to summary judgment because the appellees failed to produce any evidence rebutting his evidence of an ownership agreement. The appellees have, however, produced evidence that Marvel did not share Urbont's understanding of any such agreement, and, therefore, there remain questions of fact to be resolved.

C. State Law Claims

Finally, Urbont claims that the district court erred in dismissing his New York law claims for copyright infringement, unfair competition, and misappropriation. The district court held that the Iron Man recording is not a "sound recording" protected from preemption by the Copyright Act of 1976, but rather an accompaniment to an "audiovisual work" that is subject to preemption under 17 U.S.C. § 102(a)(6).

One of the goals of the Copyright Act of 1976 was to create a "national, uniform copyright law by broadly pre-empting state statutory and common-law copyright regulation." *Cnty. for Creative Non-Violence*, 490 U.S. at 740 (citing 17 U.S.C. § 301(a)). Accordingly, the Copyright Act preempts state law claims asserting rights equivalent to those protected within the general scope of the statute. 17 U.S.C. § 301(a). The statute provides an exception to its preemptive scope, however, in the case of "sound recordings fixed before February 15, 1972," which remain subject to protection under state statutes or common law. *Id.* § 301(c).

The Act defines "sound recordings" as "works that result from the fixation of a series of musical, spoken, or other sounds, but not including the sounds accompanying a motion picture or other audiovisual work, regardless of the nature of the material objects, such as disks, tapes or other

1 phonorecords, in which they are embodied." 17 U.S.C. § 101.
2 "Audiovisual works," by contrast, are "works that consist of a
3 series of related images which are intrinsically intended to be
4 shown by the use of machines, or devices such as projectors,
5 viewers, or electronic equipment, together with accompanying
6 sounds" *Id.* Urbont argues that he holds rights in a
7 pre-1972 sound recording because a "separate sound recording . .
8 . was made and exists wholly apart from the creation of the
9 audiovisual works in question" as embodied in the "form of a
10 master tape" which he still possesses. Appellant's Br. 46. But
11 while Urbont may possess a "master tape," it is undisputed that
12 prior to the release of the Supreme Clientele album in 2000, the
13 sound recording of the Iron Man theme song was never released as
14 an independent audio recording without a visual component. The
15 legislative history of the 1976 Act states that "[t]he purely
16 aural performance of a motion picture sound track, or of the
17 sound portions of an audiovisual work, would constitute a
18 performance of the 'motion picture or other audiovisual work';
19 but, where some of the sounds have been reproduced separately on
20 phonorecords, a performance from the phonorecord would not
21 constitute performance of the motion picture or audiovisual
22 work." H.R. Rep. No. 94-1476, at 64 (1976). It is clear in
23 this case that the allegedly infringing work could only have

1 been copied from the audiovisual work, and therefore constitutes
2 infringement of the audiovisual work.

3 Implicit in Urbont's argument is the idea that because
4 copyright inheres at the moment of creation, he has a separate
5 copyright in the sound recording of the Iron Man theme song,
6 because it was recorded and fixed in a master tape prior to
7 being incorporated into the audiovisual work. While the plain
8 language of the statute does not resolve this issue, there are
9 two reasons why we find this argument unpersuasive. First, at
10 the moment of creation, when the song was recorded and embodied
11 in a master tape, it was intended to be a part of a larger
12 audiovisual work, as it was recorded in Munich only after Marvel
13 accepted the work and agreed that it would be a part of the
14 audiovisual work. A. 119. Second, while it is true that the
15 song was recorded before it was combined with the visual portion
16 of the work, this is true of nearly all sound tracks. If
17 Urbont's theory was correct, then no audio portion of an
18 audiovisual work would be preempted by the 1972 Act, save for
19 those few that are recorded simultaneously with the visual
20 component. This narrow interpretation does not mesh with
21 Congress's intent to broadly preempt state law protections by
22 creating a "national, uniform copyright law." *Cnty. for*
23 *Creative Non-Violence*, 490 U.S. at 740.

1 Urbont's contention that he composed and recorded the Iron
2 Man theme song "without ever viewing the television program, and
3 without interaction from anyone associated with the television
4 show," Appellant's Br. 46, is belied by his own testimony that
5 the work was created at the impetus of, and based on source
6 material from, Stan Lee, someone clearly associated with the
7 television program. Urbont further asserts that Marvel agreed
8 that he would own the Iron Man sound recording separate and
9 apart from the television program, but the existence of any such
10 agreement is irrelevant to determining whether the recording is
11 a "sound recording" or part of an "audiovisual work" as defined
12 in the statute.

13 Finally, Urbont argues that if the Iron Man sound recording
14 is considered to be part of the audiovisual work, then Marvel
15 would have no reason to obtain a license from Urbont to use the
16 theme song. Legislative history to the 1972 Sound Recording
17 Act, however, which created a copyright in sound recordings,
18 indicates that in excluding tracks accompanying audiovisual
19 works from the definition of "sound recording," Congress "d[id]
20 not intend to limit or otherwise alter the rights that exist
21 currently in such works," such as Urbont's rights to the Iron
22 Man composition. H.R. Rep. No. 92-487, at 6 (1971). If, for
23 example, "there is an unauthorized reproduction of the sound
24 portion of a copyrighted television program fixed on video tape,

1 a suit for copyright infringement could be sustained under [the
2 1909 Act] rather than under the provisions of [the 1972 Sound
3 Recording Act], and this would be true even if the television
4 producer had licensed the release of a commercial phonograph
5 record incorporating the same sounds." *Id.*

6 We conclude, therefore, that the Iron Man recording is not
7 a separate sound recording but rather part of an audiovisual
8 work for purposes of preemption under the Copyright Act, and the
9 district court properly dismissed Urbont's state law claims on
10 this basis.

11 IV. Conclusion

12 For the foregoing reasons, we VACATE the district court's
13 grant of summary judgment in favor of appellees on Urbont's
14 federal Copyright Act claim. We AFFIRM the court's dismissal of
15 his state law claims for copyright infringement, unfair
16 competition, and misappropriation. We REMAND for further
17 proceedings consistent with this opinion. Each party shall bear
18 its own costs on appeal.

A True Copy

Catherine O'Hagan Wolfe, Clerk

United States Court of Appeals, Second Circuit

The block contains a handwritten signature in black ink that reads "Catherine O'Hagan Wolfe". Overlaid on the signature is a circular official seal. The seal has a blue outer ring with the text "UNITED STATES COURT OF APPEALS" at the top and "SECOND CIRCUIT" at the bottom, separated by two small stars. The center of the seal is white with the words "SECOND CIRCUIT" in blue capital letters.